GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1561
ANSWERED ON:25.07.2017
MSP of Wheat and Pulses
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the details of each of the 23 crops for which MSP is fixed by the Government;

(b) the details of the MSP fixed by the Government for each of the above crops during the last decade;

(c) whether the farmers are satisfied with the latest MSP for rice, wheat and pulses, if so, the details thereof;

(d) whether the Government is considering to provide some additional assistance to compensate the farmers, if so, the details thereof;

(e) the details of the cost of production of each of the 23 crops during the last decade, year-wise and crop-wise;

(f) the details of the crops which qualified under the Market Intervention Scheme as and when the prices of such crops fall lower than the production cost; and

(g) the various steps taken by the Government to provide adequate MSP to farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Government fixes Minimum Support Prices (MSPs) for twenty two (22) major crops viz. Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Sesamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (Lentil), Rapeseed/Mustardseed, Safflower, Jute and Copra and Fair and Remunerative Price (FRP) for Sugarcane on the recommendation of the Commission for Agricultural Costs & Prices (CACP).

Contdâ€¦2/-

Suggestions from State Governments and various farmer organizations are received from time to time for increasing the MSP of crops. Government fixes Minimum Support Price (MSP) for the major agricultural produce on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While formulating its recommendations on price policy, CACP considers various important factors that include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.
The Government offers to procure the agricultural produce at MSP. However, farmers are free to sell their produce to Government procurement agencies at MSP or in the open market as is advantageous to them.

The MSPs fixed by Government since 2007-08 is given at Annexure I.
(e): The all India weighted average all paid out cost of production including family labour (A2+FL) as estimated by CACP since 2007-08 is at Annexure II.

(f): Government also implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the Minimum Support Price on the request of State/UT Government. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States).

(g): Government has taken several steps to ensure MSP for agricultural produce which inter alia includes setting up of procurement centers keeping in view the potential in the areas; creating awareness among the farmers of the MSP operations; making payment through arthias/co-operative societies to the farmers; encouraging decentralized procurement; adopting e-procurement system; engaging private players in certain States to participate in procurement operations, implementing e-National Agriculture Market,

promoting Farmer Producer Organizations (FPOs) etc.